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May 13, 2004

Christopher J. Morse
Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington D.C. 20463

RE: RFAI - April 14, 2004
Amended August 2003 Monthly Report
NEA Fund for Children and Public Education
(FEC Committee ID # C00003251)

Dear Mr. Morse:

This letter responds to your letter dated April 14, 2004, concerning the NEA Fund for Children and Public Education's ("NFCPE") amended August Monthly Report (7/01-7/31/03). Your letter asks for an explanation of why the NFCPE's amended August 2003 Monthly Report shows additional receipts of \$94,493.74. That explanation follows below.

In April 2003, NFCPE switched to a new campaign finance database and to new FEC reporting software, both provided by outside vendors. These changes necessitated some changes in NFCPE's procedures for processing members' voluntary contributions. NFCPE collects a substantial number of voluntary contributions from members and their families at NEA's annual Representative Assembly ("RA") held in early July. At the July 2003 RA, contributions to NFCPE from members and their families were collected in individual contributor envelopes. Contributors wrote their names, addresses, occupations, employers, and the date and amount of their contributions on the outside of a small envelope and placed the contribution inside. The contributions collected at the RA were deposited into a separate depository account of NFCPE established for that purpose. At the same time, temporary employees entered the information from the individual contributor envelopes into the new NFCPE campaign finance database.

Following the RA, NEA staff reviewed the contribution data entered at the RA and found that while most of the information was correct, some of the information, relating to contributions totaling approximately \$100,000, was inaccurate due to keying errors. NFCPE did not report those contributions as July receipts because it did not know whether the contributions could be treated as federal contributions due to the inaccurate data entry. Instead, NFCPE kept the contributions in a separate NFCPE holding account and contracted with an established data entry company to have the contributor envelopes re-keyed properly.

Unfortunately, due to events beyond NFCPE's control, the re-keying process took much longer than expected. It was not until December 2003 that NFCPE received the results of the re-entered contributor information which verified that

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\$94,493.74 of the approximately \$100,000 in receipts not reported on its original July 2003 report indeed satisfied all of the requirements of the Act. NFCPE filed an amended report correcting the amount of receipts reflected on its initial August 2003 monthly report in January 2004.

We apologize for the inaccuracy of the receipts figure reflected on the NFCPE's initial August 2003 monthly report. We also emphasize that the delay in reporting these receipts resulted from a good faith effort by NFCPE to ensure that its July 2003 receipts were reported accurately and that the contributions in question fully complied with the requirements of the Federal Election Campaign Act of 1971, as amended.

In preparation for this year's RA, NFCPE has taken steps to ensure that the data entry problems that occurred last year will not occur again. We intend to have all contributions collected at the RA entered by fully trained data entry personnel who are familiar with our new campaign finance database.

Please contact me if you have any additional questions about this matter. I can be reached at 202-822-7916.

Sincerely,
Margaret E. McCormick
Counsel for NEA Fund for
Children and Public Education